

# DEPARTMENT OF LIVESTOCK

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HELENA, MONTANA 59620-2001

MARC RACICOT, GOVERNOR



STATE OF MONTANA

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## BEFORE THE BOARD OF MILK CONTROL OF THE STATE OF MONTANA ANNOUNCEMENT OF CLASS I, II & III PRODUCER PRICES

PUBLISHED:

July 3, 1998

EFFECTIVE:

August 1, 1998

12:01 a.m.

### PRODUCER CLASS I PRICE IN MONTANA

REF: ARM 32.24.301(3)

#### CLASS I PRICE FOR MILK TESTING 3.5%

\$15.65 /CWT

#### EFFECTIVE AUGUST 1, 1998:

The minimum price to pay milk producers, under ARM 32.24.301, is \$15.65 per hundred pounds of milk testing 3.5% butterfat, f.o.b. the milk distributor's plant.

When milk does not test 3.5% butterfat, compute the applicable price by applying a different twenty two and one-half cents for each one-tenth of one percent butterfat above or below the mid each producer payment. The value of one pound of butterfat utilized will be \$2.25.

#### CLASS I BUTTERFAT PRICE PER POUND

\$2.25 /LB

### PRODUCER CLASS II PRICE IN MONTANA

REF: ARM 32.24.301(4)

#### CLASS II PRICE FOR MILK TESTING 3.5%

\$15.11 /CWT

Average spray process dry milk solids		
price per pound	=	\$1.04250
Multiplied by 8.2	x	8.2
		\$8.54850

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\$8.54850

PLUS +		
Last quote of the month for Grade A butter		
minus a difference of \$ 0895	=	\$1.89550
Multiplied by 4.2	x	4.2
		\$7.96110

+ \$7.96110

LESS 8.5% ( \$16.50960 X .085)

\$16.50960

- \$1.40332

\$15.10628

Rounded to the nearest whole cent = \$15.11 /hundredweight.

PLEASE RETURN

**CLASS II BUTTERFAT PRICE PER POUND****\$2.10 /LB**

Butterfat differential	(	\$1.89550	X .111 )	=	\$0.21040
Rounded to the nearest half cent				=	\$0.210

**CLASS II VALUE OF ONE POUND OF SKIM****0.080414508 /LB**

Butterfat value per pound	=	\$2.10
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for milk at 3.5% test:

Hundredweight price of milk testing 3.5%	=	\$15.11
LESS 3.5 pounds of butterfat at	\$2.10 per pound	- \$7.350

Value of 96.5 pounds of skim	=	\$7.760
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Value of one pound of skim	(	7.760 / 96.5 pounds)	=	\$0.08041 /LB
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**PRODUCER CLASS III PRICE IN MONTANA**

REF: ARM 32.24.301(5)

**CLASS III BUTTERFAT PRICE PER POUND****\$1.71 /LB**

Last quote of the month for Grade A butter	=	\$1.89550
minus a difference of \$.0895		
LESS 10%	-	\$0.18955

\$1.70595

Rounded to the nearest whole cent	=	\$1.71 per pound.
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**CLASS III PRICE PER CWT FOR SKIM MILK UTILIZED****7.09525 /CWT**

Avg. spray process dry milk solid price/LB	\$1.04250
Multiplied by 8.2	8.2

\$8.54850

LESS 17%	\$1.45325
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\$7.09525

Rounded to the nearest whole cent	=	\$7.10 per hundredweight.
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**CLASS III PRICE PER CWT FOR MILK TESTING 3.5%****\$12.83 /CWT**

3.5 pounds of butterfat	x	\$1.71 per pound =	\$5.985
96.5 pounds of skim		\$0.07095 per pound =	\$6.847

**\$12.832 /CWT****BY ORDER OF THE MONTANA MILK CONTROL BUREAU**

Compiled by:

*Marlys M. Koontz*  
 Marlys M. Koontz, Program Specialist  
 Montana Milk Control Bureau

## BREAKDOWN BY TEST FOR CLASS I, II &amp; III SKIM PRICES

CLASS I SKIM PRICE BASED ON \$15.65 FOR 3.5% MILK 96.5 LBS = \$7.775		CLASS II SKIM PRICE BASED ON \$15.11 FOR 3.5% MILK 96.5 LBS = \$7.760		CLASS III SKIM PRICE BASED ON \$12.83 FOR 3.5% MILK 96.5 LBS = \$6.847	
TEST	PRICE/LB	TEST	PRICE/LB	TEST	PRICE/LB
2.50	\$0.07974	2.50	\$0.07959	2.50	\$0.07022
2.55	\$0.07978	2.55	\$0.07963	2.55	\$0.07026
2.60	\$0.07983	2.60	\$0.07967	2.60	\$0.07029
2.65	\$0.07987	2.65	\$0.07971	2.65	\$0.07033
2.70	\$0.07991	2.70	\$0.07975	2.70	\$0.07037
2.75	\$0.07995	2.75	\$0.07979	2.75	\$0.07040
2.80	\$0.07999	2.80	\$0.07984	2.80	\$0.07044
2.85	\$0.08003	2.85	\$0.07988	2.85	\$0.07048
2.90	\$0.08007	2.90	\$0.07992	2.90	\$0.07051
2.95	\$0.08011	2.95	\$0.07996	2.95	\$0.07055
3.00	\$0.08015	3.00	\$0.08000	3.00	\$0.07058
3.05	\$0.08020	3.05	\$0.08004	3.05	\$0.07062
3.10	\$0.08024	3.10	\$0.08008	3.10	\$0.07066
3.15	\$0.08028	3.15	\$0.08012	3.15	\$0.07069
3.20	\$0.08032	3.20	\$0.08017	3.20	\$0.07073
3.25	\$0.08036	3.25	\$0.08021	3.25	\$0.07077
3.30	\$0.08040	3.30	\$0.08025	3.30	\$0.07080
3.35	\$0.08044	3.35	\$0.08029	3.35	\$0.07084
3.40	\$0.08049	3.40	\$0.08033	3.40	\$0.07088
3.45	\$0.08053	3.45	\$0.08037	3.45	\$0.07091
3.50	\$0.08057	3.50	\$0.08041	3.50	\$0.07095
3.55	\$0.08061	3.55	\$0.08046	3.55	\$0.07099
3.60	\$0.08065	3.60	\$0.08050	3.60	\$0.07102
3.65	\$0.08070	3.65	\$0.08054	3.65	\$0.07106
3.70	\$0.08074	3.70	\$0.08058	3.70	\$0.07110
3.75	\$0.08078	3.75	\$0.08062	3.75	\$0.07113
3.80	\$0.08082	3.80	\$0.08067	3.80	\$0.07117
3.85	\$0.08086	3.85	\$0.08071	3.85	\$0.07121
3.90	\$0.08091	3.90	\$0.08075	3.90	\$0.07125
3.95	\$0.08095	3.95	\$0.08079	3.95	\$0.07128
4.00	\$0.08099	4.00	\$0.08083	4.00	\$0.07132
4.05	\$0.08103	4.05	\$0.08088	4.05	\$0.07136
4.10	\$0.08107	4.10	\$0.08092	4.10	\$0.07139
4.15	\$0.08112	4.15	\$0.08096	4.15	\$0.07143
4.20	\$0.08116	4.20	\$0.08100	4.20	\$0.07147
4.25	\$0.08120	4.25	\$0.08104	4.25	\$0.07151
4.30	\$0.08124	4.30	\$0.08109	4.30	\$0.07154
4.35	\$0.08129	4.35	\$0.08113	4.35	\$0.07158
4.40	\$0.08133	4.40	\$0.08117	4.40	\$0.07162
4.45	\$0.08137	4.45	\$0.08121	4.45	\$0.07166
4.50	\$0.08141	4.50	\$0.08126	4.50	\$0.07169

**PRODUCER CLASS I PRICE IN MONTANA**

Comparison of Class I price in 1997 &amp; 1998

## MONTANA MILK CONTROL BUREAU

Month	1997	1998	Difference	% Change
January	\$14.16	\$15.51	\$1.35	8.70%
February	\$13.89	\$15.84	\$1.95	12.31%
March	\$14.49	\$15.80	\$1.31	8.29%
April	\$15.01	\$15.87	\$0.86	5.42%
May	\$15.04	\$15.36	\$0.32	2.08%
June	\$13.99	\$14.56	\$0.57	3.91%
July	\$13.25	\$13.43	\$0.18	1.34%
August	\$13.29	\$15.65	\$2.36	15.08%
September	\$13.41			
October	\$14.62			
November	\$15.34			
December	\$15.38			
<b>Average</b>	<b>\$14.32</b>	<b>\$15.25</b>		

**PRODUCER CLASS I PRICE IN MONTANA**

Comparison of Class I price in 1997 &amp; 1998

